weekly economic review

January 3, 2014

Historical GDP by Industry

Alberta leads the way

Alberta has posted the strongest growth in GDP over the last ten years among the provinces, according to Statistics Canada's recently revised estimates of real GDP by industry. Alberta's overall ten-year (2002-12) average compounded growth was 3.2%, well above the national average (1.9%). Moreover, Alberta's relative strength was broad-based across industries. Alberta had the highest growth among the provinces over this period in 10 out of the 19 major sector categories, while posting the second - or third - largest growth rate in the other 9 categories (see Figure).

Meters Drilled

Meters drilled jumps

Total meters drilled in Alberta increased 14.6% year-over-year (y/y) in October with solid growth from both natural gas (76.1%) and bitumen (22.3%). This is the first time in five months that bitumen meters have risen on a year-over-year basis. Conventional meters drilled continued to lag behind last year's levels. Meters drilled per well also picked up in October (+5.1% y/y), increasing for both conventional and bitumen. Bitumen meters per well have bounced in recent months, but are still down on a year-to-date basis.

Employment, Payrolls & Hours

Earnings growth still strong

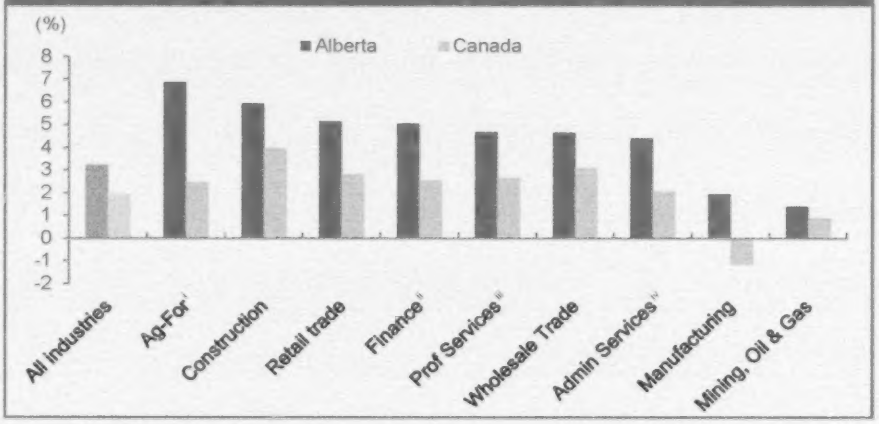
Growth in Alberta weekly earnings continued to outpace the national average, up 3.2% y/y versus 1.4% in October. In each month this year, average weekly earnings in Alberta have grown at a faster year-over-year pace than the national average. The average gap in weekly earnings between Alberta and the national average hit $207.16, or 22.6%. This is the largest gap in both level and percentage terms since the data series started in 2001. Of particular note is the continued growth in construction sector weekly earnings, which increased 9.5% y/y, to $1539.33. Earnings growth was slower in the other major sectors, including oil & gas extraction (2.8% y/y) and manufacturing (2.5% y/y) in October. Some industries saw a decline in weekly earnings, notably utilities (-3.4% y/y) and accommodation and food services (-2.7% y/y).

Canada GDP by Industry

Real GDP expands for the fourth straight month

Real GDP in Canada increased by 0.3% for the second straight month in October. Goods producing industries were up 0.4%, while services producing industries rose 0.3%. Manufacturing contributed the most to the overall gains, rising 1.3% in October after a 1.2% increase in September. Oil and gas extraction fell for the second straight month, down 0.8%. The decline was due to a 2.1% fall in the conventional oil and gas extraction industry, the largest decline in 10 months. However, non-conventional oil extraction GDP was up 1.2%, partially reversing a 1.5% drop in September.

Average Annual Real GDP Growth by Industry (2002-2012)



Source: Statistics Canada

[i] Agriculture, forestry, fishing and hunting
[ii] Finance and insurance
[iii] Professional, scientific and technical services
[iv] Administrative and support, waste management and remediation services

Closing Price	Dec. 19, 2013	Jan 2, 2014	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	93.67	94.05	96.40
WTI Oil ($US/bbl)	98.77	95.44	99.18
NYMEX Natural Gas($US/MMBtu)	4.46	3.87	3.81

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Alberta Economic Indicators

Population	2011	2012	2013YTD	July	Aug	Sept	Oct	Nov	Dec
Population (000's)	3,790	3,889	4,025	4,025	..	..	4,061	..	..
y/y % change	1.5	2.6	3.5	3.5	..	..	3.5	..	..
Net Interprovincial Migration[1]	8,443	27,652	52,677	13,791	..	..	10,269	..	..
Net International Migration[1]	19,411	40,842	52,551	20,487	..	..	16,436	..	..
Net Non-permanent Residents[1]	-7,251	10,085	19,560	10,472	..	..	8,213	..	..
Labour Market									
Employment (000's), SA	2,094	2,149	2,211	2,217	2,232	2,236	2,237	2,248	2,236
y/y % change	3.8	2.6	2.9	3.0	3.6	3.7	3.5	3.6	3.3
Unemployment Rate (%), SA	5.5	4.6	4.6	4.5	4.8	4.3	4.4	4.7	4.8
Participation Rate (%), SA	73.7	73.4	73.0	73.0	73.6	73.1	73.0	73.4	72.9
NEW! Average Weekly Earnings ($), SA	1,035.75	1,072.98	1,105.90	1,103.08	1,110.83	1114.95	1125.60	..	..
y/y % change	4.4	3.6	3.2	2.1	0.8	2.6	3.2	..	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.4	2.2	1.4	1.3	1.0	1.7	..
Excluding food and energy	0.8	1.4	1.4	1.9	1.6	1.5	1.6	1.5	..
Non-Res Building Cons. Price Index[2] (y/y % change)	3.4	3.8	1.2	..	..	1.2	..	..	..
Farm Product Price Index (y/y % change)	18.1	6.3	4.4	4.6	2.5	2.5	..	..	..
Crops	19.0	6.7	4.7	2.5	-4.2	6.0	..	..	..
Livestock	17.2	5.9	3.9	6.9	7.0	10.0	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.5	33.3	36.1	35.7	29.3	31.2	38.1	43.7	36.2
y/y % change	5.0	30.7	8.2	6.9	1.0	-8.2	14.2	9.6	18.8
New Housing Price Index[3] (y/y % change)	0.4	1.6	2.8	3.0	3.3	3.1	3.0	3.1	..
Edmonton	0.9	0.9	0.5	0.6	0.8	0.2	0.3	0.0	..
Calgary	-0.1	1.7	5.3	5.8	6.1	6.3	6.1	6.5	..
MLS Average Resale Prices ($ 000's)	352.7	362.0	379.3	378.7	387.2	382.7	380.7	387.7	..
y/y % change	0.5	2.6	5.0	4.9	6.6	7.3	3.8	5.0	..
Edmonton ($ 000's)	324.2	332.7	342.4	340.4	347.5	346.9	339.3	346.1	..
y/y % change	0.7	2.6	3.1	2.9	4.2	7.7	1.5	2.4	..
Calgary ($ 000's)	401.9	410.8	435.5	438.7	440.8	436.5	439.7	449.0	..
y/y % change	1.1	2.2	6.5	6.8	7.8	8.6	4.5	7.5	..
Retail Sales, SA (y/y % change)	6.8	6.9	6.5	6.4	5.8	6.4	6.6	..	..
New Motor Vehicle Sales (y/y % change)	9.6	10.5	6.2	6.5	7.0	2.1	6.5	..	..
Consumer Bankruptcies	7029	5759	4982	385	379	375	383	..	..
y/y % change	-13.8	-18.1	-18.4	-21.3	-16.5	-10.9	-11.3	..	..
Business Sector									
NEW! Rigs Drilling	286	250	235	187	239	251	239	233	259
y/y % change	30.4	-12.6	-5.9	-5.9	7.0	9.6	1.0	-9.8	-9.9
Goods Exports, customs based (y/y % change)	18.4	2.9	6.8	9.1	7.6	16.6	19.0	..	..
Energy	19.2	3.6	9.2	11.1	12.6	25.7	26.1	..	..
Farm, Fishing and Intermediate Food	27.2	20.6	-7.7	1.8	-24.2	-27.5	-14.8	..	..
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	2.1	..	..	3.4	..	..	..
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	1.3	3.7	8.4	1.9	6.8	..	..
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.5	2.5	1.9	1.8	4.9	..	..
Building Permits, SA (y/y % change)	11.8	14.8	19.2	50.4	1.1	29.9	22.3	3.3	..
Residential	5.2	18.2	18.6	29.1	5.9	39.5	37.6	18.4	..
Non-residential	20.9	10.7	20.0	79.7	12.3	14.7	2.4	-13.1	..
Business Bankruptcies	264	230	115	9	7	13	15	..	..
y/y % change	30.2	-12.9	-42.2	-43.8	-30.0	-38.1	-16.7	..	..

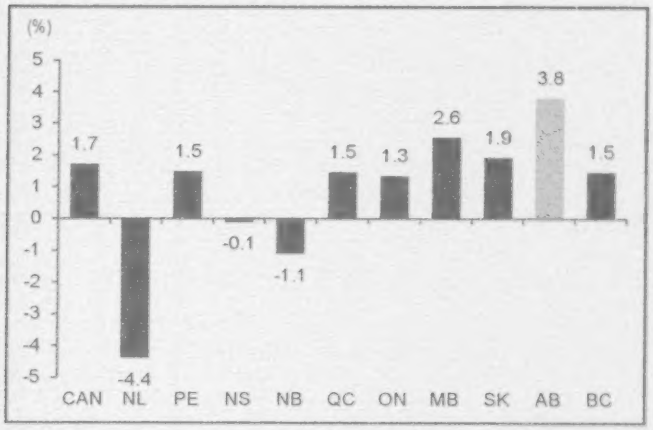
1 Quarterly, annual numbers are presented on a census year basis (July 1– June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada)

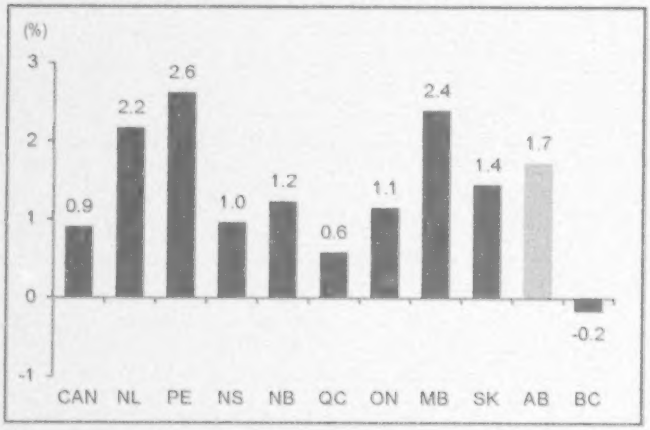
All historical data are subject to revision.

Economic Indicators by Province

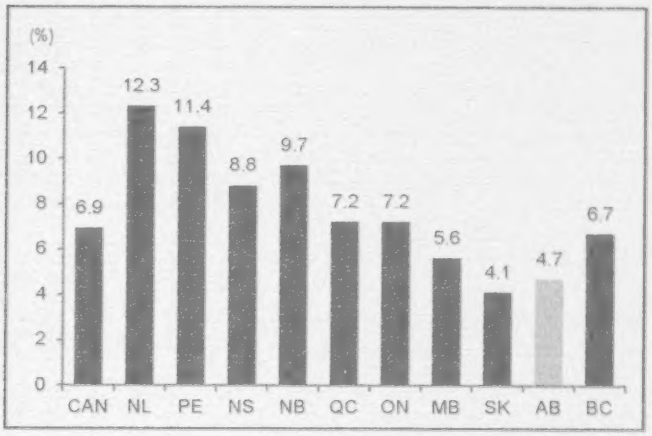
Real GDP at Market Prices
(2012, year-over-year growth)



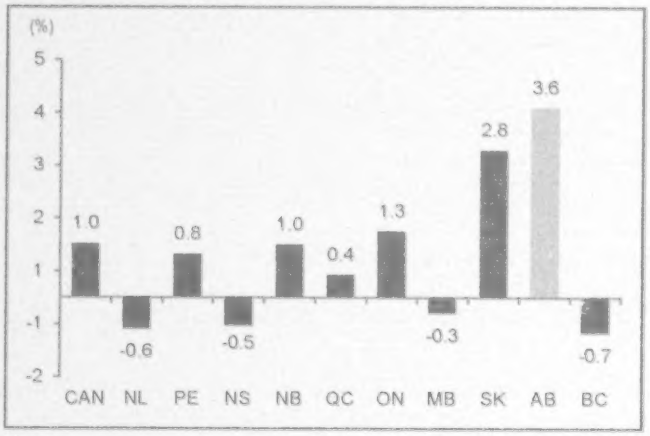
CPI Inflation
(November 2013, year-over-year growth)



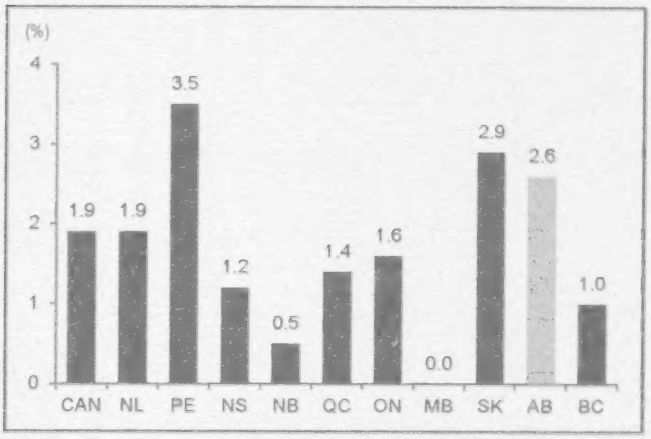
Unemployment Rate
(November 2013)



Employment
(November 2013, year-over-year growth)



Average Weekly Earnings
(October 2013, year-over-year growth)



Housing Starts
(November 2013, SAAR, year-over-year growth)